



State of Utah

DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER QUALITY

Norman H. Bangerter
Governor
Kenneth L. Alkema
Executive Director
Don A. Ostler, P.E.
Director

288 North 1460 West
P.O. Box 144870
Salt Lake City, Utah 84114-4870
(801) 538-6146
(801) 538-6016 Fax
(801) 536-4414 T.D.D.

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MINERALS PROGRAM
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JAN 13 1993

DIVISION OF
"GAS & MINING"

January 8, 1993

Mr. Byron Muir
Star Mountain Gold
P.O. Box 142
Milford, UT 84751

RE: Construction and Groundwater Discharge
Permit No. UGW010001

Dear Mr. Byron Muir:

This is in response to your correspondence of December 29, 1992, which we received January 4, 1993, regarding unresolved permit issues. After studying your letter, it appears the comments are more from a procedural standpoint than towards issues that would materially affect the structure, organization, technical nature or contents of the permit. It is our position that the permit is basically in a format that could proceed to public notice should you direct us to do so. However, as per your current direction, we will hold the permit until you request it be advertised. In addition please note that construction may not begin until the permit is issued. Replies to your comments are as follows:

Items 1 & 2

The permit will be issued, along with billing for permit issuance, after resolution of any issues that might arise during the public comment period. The cost of the permit will be \$400 if no significant additional work is required. The fee is based on \$50 per hour for direct review time on your project. We have made every effort to hold the review costs down recognizing the nature of your project.

Item 3

The requirement to charge the current fees for permits was established by the 1992 Legislature, HB471 a copy of which is enclosed.

Item 4

Other material in the administrative record file consists mainly of federal and state publications such as Bureau of Mines reports, DNR Tech publication 43, and various geologic maps. Copies of information in the file are available at the cost of reproduction which is \$0.25 per page, or we

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would invite you to come in and review the file since the publications are quite voluminous. Please let us know of your desires.

Item 5

The Water Quality Act, Utah Code 19-5, requires the board to review plans, specifications and other data, and issue permits. However, as we have noted before, the primary permitting requirement for this operation is the ground water permit which is the permit necessary to allow you to construct as well as to operate. We had indicated that we would not issue a separate construction permit nor would there be any charge for such. The ground water regulations require the review of plans and specifications to insure that Best Available Technology is provided (R317-6.4A-3). We have previously sent to you R317-3 which contain standard design and technology requirements. However, you are correct in your assessment that most of these criteria do not apply to your mining facility. Since industry is so diverse, it is not possible to have detailed design requirements for each type. Therefore, in accordance with the rules, they are done on a case-by-case basis using best professional judgement.

Item 6

The Water Quality Act UCA19-5-107 requires operators placing wastes to obtain permits when there is probable cause to believe it will cause pollution, or for the operation of any "establishment" the operation of which could probably result in a discharge. The operation which you propose, although small in a mining sense, will involve the use of considerable quantities of cyanide which is a toxic and hazardous material. Your operation qualifies for an exemption as a mining facility, otherwise it would be regulated as a hazardous waste facility. As a result, your operation only needs to meet the requirements for a ground water permit. There are numerous examples of other similar facilities with significant environmental consequences. Our statement of "undetermined affects" on the ground water may be somewhat misleading and will be changed. It is clear that a significant quantity of toxic chemicals will be employed in a setting which could affect the environment and this permit is necessary as a preventive measure.

Item 7

What? { Facilities with a significant potential to discharge pollution if not designed, constructed and operated properly, require a permit under the act. There is considerable precedence for this approach even for facilities designed for no discharge. The permit helps insure proper containment technology is used and that operation, including neutralization of cyanide, will be done in a manner to protect the environment and public health.

Item 8

During our initial contacts and during our staff visit at Milford, you were advised that due to the technical nature and the scope of your project, consulting engineering services would speed the issuance of a permit. You chose not to obtain a consultant. Also, early in your effort we advised you, that when you had documents you wished to submit, a conference with us would

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help expedite the permit process and to understand the technical problems, and methods by which they could be resolved. You have also not taken advantage of this offer. We have immediately sent you copies of any regulations that you have requested. Communication has been mostly by correspondence and some by telephone, making swift progress on the permit more difficult. We have tried to offer you as much technical assistance as possible to get the permit issued even though it is your responsibility to present an adequate design. Although we have offered considerable technical suggestions to help improve your proposal, it is not possible or appropriate for our staff to actually complete the design and other requirements for you. In response to your questions, there is no bonding for staff, however you have the right to appeal any decisions to the Water Quality Board.

Item 9

We do not necessarily believe that your reprocessed ore pile will be a greater threat to the environment than other neighboring ore piles. The regulations require that any new facility or activity with potential to pollute receive a permit prior to construction. We do not have information on any existing ore or waste piles on your property. They do not require a permit as long as they are not significantly modified. However, if the existing facilities or dumps pose a significant threat to the environment, a permit could be required in accordance with R448-6.6-1-B. We will be happy to evaluate any existing dumps you feel may be a concern.

Item 10

Construction permits are required for individual waste water disposal systems, either by the county or state, depending on size. It is illegal to put toxic, industrial, or hazardous waste into an individual waste water disposal system.

Item 11

In reply to your last comment regarding being denied eligibility for a "permit-by-rule", the decision was based on the potential for impact to waters of the state and as such should be operated under an individual permit as required by regulation R317-6-6.2. These decisions are made by the Executive Secretary of the Water Quality Board. Any formal challenge to these decisions is made by making a written request of appeal to the Water Quality Board.

If you are concerned that your permit will expire without substantial construction within one year of issuance, we can assure you the permit may be renewed after that time. However, new considerations in technology may require modification of the original permit prior to reissuance, but this is unlikely in your case. Therefore, unless there are substantive changes in your permit application, we can see little reason to postpone proceeding with the issuance process, so as to allow you to proceed with construction.

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We believe any further discussion of the project could best be resolved by meeting with you. If you have any questions or comments or wish to schedule a meeting, please contact Mack Croft or Dave Rupp at 538-6146.

Sincerely,

A handwritten signature in cursive script, appearing to read "Fred C. Pehrson".

Fred C. Pehrson, P.E., Manager
Permits, Compliance & Monitoring Branch

FCP:MC:gt/mhf

Attachment

cc: Wayne Thomas
Southwest Dist. Health Dept.
Div. of Oil, Gas and Mining

P:CONSTGW.LTR
FILE:STAR MOUNTAIN GOLD